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JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
Division Director

April 22, 2008

Dave Shaver, Manager  
Genwal Resources, Inc.  
P.O. Box 1077  
Price, Utah 84501

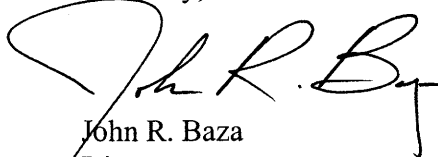
Subject Division Order to Address Mine Water Discharge, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032-DO08A, Task ID #2957, Outgoing File

Dear Mr. Shaver:

During a recent review of the Reclamation Plan and field investigation at the Crandall Canyon mine, it was noted that mine water discharge has not been adequately addressed. The Division is therefore requiring Genwal Resources, Inc. to revise the current Mining and Reclamation Plan (MRP) to include a plan for the discharge of post-reclamation mine water. Please see the enclosed Division Order.

If you have any questions, please contact Angela Nance at (801) 538-5264 or Daron R. Haddock at (801) 538-5325.

Sincerely,



John R. Baza  
Director

Enclosure

cc: Price Field Office

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**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

<b>PERMITTEE</b>  Dave Shaver, Manager Genwal Resources, Inc. P.O. Box 1077 Price, Utah 84501  PERMIT NUMBER <u>C/015/0032</u> DIVISION NUMBER <u>DO08A-2957</u>	<b>ORDER &amp; FINDINGS OF PERMIT DEFICIENCY</b>
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PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Genwal Resources, Inc., to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

**FINDINGS OF PERMIT DEFICIENCY**

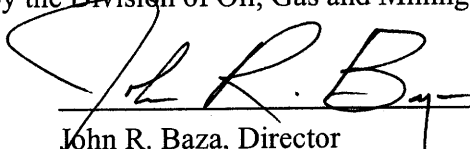
A review of the current Mining and Reclamation Plan (MRP) and field investigations have revealed that certain activities associated with the mine are not adequately addressed. The reclamation plan for the Crandall Canyon Mine did not anticipate any ongoing mine water discharge once operations ceased. In January of 2008, water began to build up behind mine seals at the portal. With safety in mind, Genwal pierced the seals and diverted the water to the currently permitted UPDES discharge point. The discharge is continuous at about 600 gpm.

Genwal Resources, Inc. needs to update the current MRP to include a plan for the discharge of post-reclamation mine water in accordance with R645-301-551, R645-301-731.521, and R645-301-751.

**ORDER**

Castle Gate Holding Company, is hereby ordered to make the requisite permit changes in accordance with R645-303-220 and to submit a complete, adequate application for permit change to address the findings of permit deficiency within 60 days of the date of receipt of this order.

Ordered this 22nd day of April 2008, by the Division of Oil, Gas and Mining.

  
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John R. Baza, Director  
Division of Oil, Gas and Mining